



First Data Merchant Services A Third Party Processor

George Gogol

Product Director

October 28, 2010

Who is First Data Merchant Services

- First Data is one of the world's largest providers of merchant processing solutions in the world.
- Product offering includes some of the most flexible payment acceptance options in the industry, allowing merchants around the world access to a variety of point-of-sale (POS) payment solutions to meet their business needs.
- First Data has relationships with all major credit card and debit card companies, including VISA®, MasterCard®, American Express®, Discover®, Diners Club®, JCB® and STAR®.
- First Data also provides Electronic Benefits Transfer (EBT) payment support for SNAP, Cash Benefits and WIC with direct connections to all processors.
- First Data also offers full support to the petroleum industry by having relationships with all major Fleet Card programs.

What Does First Data Do?

- First Data Merchant Services is a third party processor who provides an interface between the retailer community and a state's EBT processor.
- First Data, as a third party processor, has a long history of EBT processing with regards to SNAP and cash benefits. Most recently, we have been involved with the on line, magnetic stripe eWIC programs in Michigan, Kentucky and the Chickasaw Nation.
- Third party processors perform a number of roles. At a high level, they provide to their customers:
 - Technical Standardization
 - Operational Standardization
- First Data also has a separate business line offering stand alone terminal solutions to states and their processors.

Technical Standardization by FDMS

- A retailer has one integrated solution for all state's participating with mag stripe eWIC.
 - One set of technical specifications from the TPP.
 - One time coding effort by the merchant and/or its system integrator.
 - One time certification between the TPP and retailer environment
- A retailer has one integrated solution for all payment types.
 - EBT
 - Debit
 - Credit
- Third party processors can many times isolate retailers from program changes.
 - Product Enhancements
 - Regulatory and Compliance Mandates

Operational Standardization by FDMS

- Retailer Settlement
 - Retailer receives settlement from one end point for all of its payment types.
 - Retailer does not have to reconcile multiple settlement times.
- Retailer Dispute Resolution
 - Any dispute made by either the retailer or a recipient is funneled through the TPP.
 - Retailer only has to deal with one area for adjustments.
- Retailer Reporting
 - The TPP provides consolidated reporting to the retailer for all payment types.
- Rules Compliance
 - The TPP and processor jointly comply with rules for the various payment types.
 - The TPP can many times isolate the retailer from Compliance mandates.

Benefits to States by supporting FDMS

- A state does not have to place stand alone terminals
 - Financial Savings
 - All retailer lanes are able to be used by participants.
- The roll out of the program can be quicker.
 - Time spent up front including TPP's and their recipients can result in a quicker overall program implementation.
 - No need to place the stand alone terminal.
- Recipients have a product that is mainstreamed.
 - No separate lane to use.
 - No separate terminal to use.